SAMPLE FACT-FINDING QUESTIONNAIRE

In conducting the survey, it is important to cover all functions that will relate to the new system. It should be emphasized that the function is examined rather than a specific organizational element. By pinpointing the areas requiring improvement, the causes for problems can be determined. The survey report should present a finding of fact, together with recommendation for corrective action and areas for ongoing measurement.

Following is a sample checklist, by function, that is a typical approach to determining the results of the current practice.

ORDER ENTRY

1) Are customer orders processed promptly from receipt to shipment?

2) Have objective standards for delivery performances been established?

3) Are these standards expressed in terms of number of days from the receipt of an order to shipment?

4) Have individual standards been established for each material category?

5) Is there a high ratio of unfilled back orders?

6) Are customer demands captured for input to the forecasting system?

FORECASTING

1) Are customer requirements analyzed in the development of accurate sales forecasts?

2) Are sales forecasts tracked by comparing actual demand against the forecast?

3) Does the sales forecast include an estimate of forecast error?

4) Are forecasts reviewed regularly and jointly by Marketing and Supply and Transportation?

5) Is the best judgement of the group exercised in improving forecasting data, methods, and techniques used?

6) Are changes to the forecast promptly reflected in inventory planning?

PURCHASING

1) Is there an effective system for vendor selection on the basis of quality, delivery, and price?

2) Is there a Price Monitor Report that flags price increases for review by Purchasing Management?

3) Is there a method to track vendor delivery performance (early and late; over and under shipments; quality control rejections)?

4) Are blanket orders and releases used to reserve vendor capacity and optimize delivery lead time?

5) Are changes in vendor lead times transmitted promptly to the inventory management system?

6) Is there an effective system for expediting critical items?

7) Are quantity discounts and future price increases considered in determining optimum purchase order quantities?

8) Are such quantities consistent with inventory policy for economic order quantities?

RECEIVING

1) Is material forwarded to destination promptly upon receipt?

2) Are receiving transactions reported accurately and promptly?

3) Is there an effective procedure for receiving material that is not on a purchase order (for example, field returns)?

4) Is there a procedure for tracking material received but pending in incoming inspection?

INVENTORY MANAGEMENT

1) Are there written inventory objectives as to how much the investment in inventory should be?

2) Are there written goals for the desired inventory turnover rates?

3) Are there written policies for inventory planners, material controllers, and inventory analysts to guide them in determining the order quantity and the safety stock?

4) Are there separate policies for groups of items depending on annual usage value (ABC classification)?

5) Are inventory records accurate?

6) Is timely inventory status information available?

7) Is there an Inventory Analysis Report that lists excess value of items in inventory?

8) Is prompt and proper disposition made of materials and parts that have become obsolete as a result of an engineering change?

9) Have inventory levels been reduced by profitable disposition of obsolete and excess items?

SUMMARIZING THE FINDINGS

The findings of the team's analysis of the existing system should be concisely summarized in a formal report.

The survey should be structured to include:

1) Purpose and scope of the survey

2) Strengths of present system

3) Areas requiring improvement

A brief and clearly written report of the findings is essential. Back-up data should be retained by the team in the form of working papers. The purpose of the survey report is to identify the area of strength on which the new system can be built, and to identify existing weaknesses.

ORDER ENTRY (OE)

STAT

OE IMPLEMENTATION TASKS

1) Document current system
2) Read CMS Concepts and Facilities - sections 1 & 2
3) Attend order entry class
4) Review order entry issues checklist (2 MD)
5) Review order entry data elements and compare to existing system (10 MD)
6) Conduct 'MIS' test of the system (a) Reg. Pend. 5 →
7) Assign responsibility and develop detailed schedule for 8 - 22 →
8) Define objectives for order entry pilot program (5 MD)
9) Write procedure for maintaining order entry system control data (users, carriers, sales reps, payment terms, general system control options) (20 MD) →
10) ~~Write/review procedure for maintaining part master data~~
11) Write procedure for maintaining customer master data (10)
12) Write procedure for maintaining price data (5) →
13) Write procedure for sales order entry/acknowledgement (10)
14) Write procedure for change orders/acknowledgement (10)
15) Write procedure for sales order approvals (5)
16) Write procedure for pick/issue/pack/ship (60) Pat ↔
17) Write procedure for customer returns/credit memos
18) Write procedure for invoicing
19) Review/revise format for preprinted forms (acknowledgements, invoices, bill of lading, pick tickets) Pat (60) Elapsed
20) Write procedure for auditting open sales order (open order quantity and prices) and customer balances (5) ←

Appendix C: Implementation Checklist
Order Entry (OE)

Jan (10) 21) Conduct pilot using procedure drafts

Jan (60) (120) 22) Develop strategy for initial load of customer master, price, sales order, and ~~inventory balance data~~ (manual data entry/conversion programs from old system/bridge programs)

~~23) Assign~~ responsibility and develop detailed schedule for 24 - 46

~~24) Define stockroom layout~~ including bin authorizations ~~and primary~~ bins

Jan (80) (40) 25) Spec/code/test conversion/bridge programs

Jan (10) 26) Finalize procedures used during pilot

Jan (5) 27) Train end users

~~28) Load bin masters if used~~

Jan (50) 29) Establish the OE user company as a business

~~30) Establish payment terms~~ AP

Jan (10) 31) Establish carriers

~~32) Establish sales representatives.~~

Jan (3) 33) Establish OE users

34) Establish numbering for

- ☐ Businesses
- ☐ Sales orders
- ☐ Containers
- ☐ Bills of lading
- ☐ Invoices
- ☐ Credit memos

35) Review accuracy of part master data (description, UOM, source plant)

36) Set up pricing

- ☐ Authorize price areas
- ☐ Authorize price matrices

- ☐ Authorize price groups
- ☐ Authorize sales restriction groups
- ☐ Define marketing parts
- ☐ Define base prices
- ☐ Define production prices
- ☐ Define joint pricing groups
- ☐ Define customer-specific pricing policies

37) Set up taxing

- ☐ Define location-based taxes
- ☐ Define location tax types (part specific)
- ☐ Record exemption certificates (UPDTAXEX)
- ☐ Define excise tax rates

38) Complete order entry pilot and signoff of objectives by implementation team

39) Define parallel processing parameters

40) Load customer masters

41) Load existing sales orders

42) Load inventory balances

43) Reconcile sales order balances

44) Reconcile customer balances

45) Evaluate parallel processing result

46) Begin order entry production

BILL OF MATERIAL (BOM) (Pat)

BOM IMPLEMENTATION TASKS

1) Document current system
2) Read CMS Concepts and Facilities - section 1 & 2
3) View BOM video based training
4) Attend BOM class (MPS class too, if it will be installed)
5) Review BOM issues checklist and data elements
6) Assign responsibility and develop detailed schedule for 7 - 11
7) Write procedure for part number assignment/control/maintenance (Pat 5 mD)
8) ~~Write procedure for BOM maintenance/control~~
9) Write procedure for parts catalog maintenance/control (Pat 10 mD)
10) ~~Write procedure for BOM accuracy audit~~
11) ~~Begin restructure of BOM, if required~~
12) Conduct pilot using procedure drafts as a basis for a script (Pat - 5 mD)
13) Develop strategy for initial load of part and BOM data: (manual data entry/conversion programs from old systems/bridge programs)
14) Develop detailed schedule for 15 - 22
15) Spec/code/test conversion/bridge programs – (120 mD)
16) Write final drafts of procedures (5 mD)
17) Train end users SMB, OTS, OC, SAS (20 mD) elapse
18) ~~Complete restructure of BOM, if required~~
19) Load part master data required for BOM module (3 dmp)
20) Load parts catalog data
21) ~~Load BOM data~~
22) Audit BOM data/publish results/correct problems (15 mD)

BOM ISSUES CHECKLIST

1) Part number length/uniqueness/composition
2) Will any parts be located in more than one plant
3) Is there a need to maintain more than one view (model) of the BOM
4) What type of effectivity is required on BOM
5) What type of revision level control is required
6) What are the requirements for BOM history
7) What kinds of substitutes/alternates are used
8) How is the sequence of components on a BOM established/maintained
9) If multi-plant, are BOMs unique to a particular plant
10) How are engineering changes controlled and implemented
11) What are the UOMs to be used and what is the range of qty per field

INVENTORY CONTROL (INV)

INV IMPLEMENTATION CHECKLIST (New Guy)

1) Document current system
2) Read CMS Concepts and Facilities - sections 1 & 3
3) View INV video based training
4) Attend INV class (2 days) — Training (TBD)
5) Review INV issues checklist and data elements (10 [MD] days) — elapse
6) Assign responsibility and develop detailed schedule for 7 - 16
7) Write procedure for maintaining INV related fields on PART/PART PLANT/BOM (TBD) 10
8) ~~Write procedure for maintaining PO data~~
9) Write procedure for maintaining TO data (TBA) 10
10) ~~Write procedure for maintaining/picking/releasing/receiving MO~~
11) Write procedure for PO/TO receiving & dock to stock (20)
12) Write procedure for maintaining/picking/shipping CO/TO (10) (Distribution)
13) Write procedure for cycle counting (15)
14) ~~Write procedure to audit open PO~~
15) ~~Write procedure to audit open CO/TO~~
16) ~~Write procedure to audit open MO~~
17) Conduct pilot using procedure drafts (10)
18) Develop strategy for initial load of PO/TO/CO/MO data and INV balances (manual data entry/conversion programs from old system/bridge programs) (60) Lynne
19) Assign responsibility and develop detailed schedule for 20 - 30
20) Define stockroom layout including bin authorizations, primary bin, expected allocation bin, and post deduct bin, if used (20)

(120) 21) Spec/code/test conversion/bridge programs

(20) 22) Load bin masters if used (Input Clerk)

(30) 23) Finalize procedures

(15) 24) Train users

25) ~~Review BOMs for accuracy~~

Define

(40) 26) Load INV related PART/PART PLANT/BOM data

27) ~~Load POs~~

28) ~~Load COs/TOs~~

29) ~~Load MOs~~

3 days

(~~60~~) Conduct

30) Load initial inventory balances Supply

INV ISSUES CHECKLIST

1) Diagram general flow of material through plant and identify stocking points in plant
2) Define if multi-plant is required
3) Review stockroom layout
   - ▫ Will bin locations be used
   - ▫ Are parts stored in predefined bins
4) Will any parts be issued in bulk to 'floor stock'
   - ▫ (Post deduct bins)
5) How are parts received
   - ▫ Will transfer orders be used (if multi-plant)
   - ▫ What if PO/TO is not on file at time of receipt
   - ▫ Is inspection required before stocking parts
   - ▫ How are rejected parts tracked until final disposition
6) Which bin locations are printed on picklists (primary bin, only bins with sufficient quantity for order, etc.)
7) How are parts shipped
   - ▫ Will transfer orders be used (if mult-plant)
8) Will POs be entered in INV or will purchasing be installed
9) Will COs be entered in INV or will order entry be installed
10) If lead time offset is used, how will parts be picked